



Press release

Siltronic AG

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Siltronic reports very good Q1 and expects positive business development for 2021

- Revenue of EUR 316.1 million, up 11.1 percent compared to Q4 2020
- EBITDA up q-o-q by 36.5 percent to EUR 91.7 million (EBITDA margin of 29.0 percent)
- EBIT increased from EUR 28.4 million in Q4 2020 to EUR 54.2 million (EBIT margin 17.2 percent)
- Increased forecast for 2021 assuming at least 15 percent growth of wafer area sold

Munich, Germany, May 7, 2021 – In Q1 2021, Siltronic AG (MDAX/TecDAX: WAF) recorded a significant increase in wafer area sold and a corresponding growth in sales of around 11 percent compared to Q4 2020.

"We saw a very positive business development in Q1 and raised our forecast for the current year by ad hoc announcement on April 20, 2021. We assume that the wafer area sold will increase by at least 15 percent, which is significantly higher than previously expected. Only the strong Euro will slow down our growth somewhat," said Dr. Christoph von Plotho, CEO of Siltronic AG. "In an environment of rising demand and continued investments in digitization, we have further increased our productivity."

Business Development in Q1 2021

		Q1 2021	Q4 2020	Q1 2020	Change	
					Q1 to Q4	Q1 to Q1
Sales	in EUR million	316.1	284.5	300.1	31.6	16.0
	in %				11.1	5.3
Cost of sales	in EUR million	-227.5	-211.7	-210.8	-15.8	-16.7
	in %				7.5	7.9
Gross profit	in EUR million	88.6	72.8	89.3	15.8	-0.7
	in %				21.7	-0.8
Gross margin	in %	28.0	25.6	29.8		
EBITDA	in EUR million	91.7	67.2	84.2	24.5	7.5
	in %				36.5	8.9
EBITDA margin	in %	29.0	23.6	28.1		
Depreciation, amortization and impairment less reversals thereof	in EUR million	-37.5	-38.8	-30.9	1.3	-6.6
EBIT	in EUR million	54.2	28.4	53.3	25.8	0.9
	in %				90.8	1.7
EBIT margin	in %	17.2	10.0	17.8		
Financial result	in EUR million	0.7	1.4	-6.1	-0.7	6.8
Result before income taxes	in EUR million	54.9	29.8	47.2	25.1	7.7
	in %				84.2	16.3
Income taxes	in EUR million	3.5	11.1	-1.2	-7.6	4.7
Tax rate	in %	-6	-37	3		
Result for the period	in EUR million	58.4	40.9	46.0	17.5	12.4
	in %				42.8	27.0
Earnings per share	in EUR	1.67	1.17	1.32	0.50	0.35

Siltronic generated sales of EUR 316.1 million in Q1 2021, an increase of 11.1 percent versus Q4 2020. This increase is mainly due to the higher wafer area sold. The influence of exchange rates and prices was not significant.

Cost of sales increased less than the wafer area sold. Manufacturing costs per wafer area decreased noticeably compared to Q4 2020, mainly resulting from fix cost dilution.

The increase in wafer area sold and the decreasing manufacturing costs per wafer area led to a gross profit of EUR 88.6 million, an increase of EUR 15.8 million compared to Q4 2020. The gross margin rose from 25.6 percent to 28.0 percent.

EBITDA in Q1 2021 was EUR 91.7 million, an increase of 36.5 percent compared to Q4 2020. The EBITDA margin rose from 23.6 percent to 29.0 percent. In both Q4 2020 and Q1 2021, those numbers include external expenses related to the tender offer of GlobalWafers. These additional expenses for capital market and legal advisory costs are included in administrative expenses and amounted to around EUR 12 million in Q4 2020 and around EUR 2 million in Q1 2021.

EBIT - including the above mentioned additional expenses due to the GlobalWafers tender offer - increased from EUR 28.4 million in Q4 2020 to EUR 54.2 million in Q1 2021.

The Siltronic employees mastered the operational challenges of the Corona pandemic with great commitment, so that there was no significant impact on sales and results.

The tax income generated in Q1 2021 is mostly due to deferred taxes. The improved outlook has increased the recoverability of future tax benefits. In addition, a change in tax law resulted in a tax benefit.

A net profit of EUR 58.4 million was generated in Q1, compared to EUR 40.9 million in Q4 2020. Of this amount, EUR 50.1 million is attributable to Siltronic AG shareholders. Earnings per share rose from EUR 1.17 in Q4 2020 to EUR 1.67 in Q1 2021.

Development of equity, net cash flow and net financial assets

In EUR million	Mar. 31, 2021	Dec. 31, 2020	Change
Equity	1,078.6	871.8	206.8
Pension provisions	448.5	566.5	-118.0
Customer prepayments	126.5	137.4	-10.9
Lease liabilities	48.9	48.4	0.5
Other provisions and liabilities	73.4	76.1	-2.7
Non-current liabilities	697.3	828.4	-131.1

With equity of EUR 1,078.6 million at March 31, 2021, Siltronic AG's equity ratio was 53.7 percent compared with 45.4 percent at December 31, 2020. The increase in equity is based on the net income for the quarter of EUR 58.4 million and actuarial gains in the calculation of pension obligations of EUR 124 million.

The EUR 118.0 million decrease in pension obligations is due to higher interest rates. The interest rate in Germany rose from 0.69 percent at the end of 2020 to 1.11 percent at the end of Q1 2021. The interest rate in the USA rose from 2.07 percent to 2.77 percent in the same period.

In EUR million	Q1 2021	Q4 2020	Change
Cash flow from operating activities	76.6	31.4	45.2
Proceeds/payments for capital expenditure including intangible assets	-47.0	-46.8	-0.2
Free cash flow	29.6	-15.4	45.0
Increase/decrease of prepayments received (customer prepayments)	-1.7	-3.5	1.8
Net cash flow	27.9	-18.9	46.8

The free cash flow of EUR 29.6 million in Q1 2021 shows that Siltronic was able to finance the entire cash-flow for capex including intangible assets from operating activities without any problems.

The net cash flow of EUR 27.9 million shows Siltronic's cash surplus after the elimination of period shifts due to customer prepayments.

In EUR million	Mar. 31, 2021	Dec. 31, 2020	Change
Cash and cash equivalents	234.8	294.6	-59.8
Financial investments	303.3	204.6	98.7
Net financial assets	538.1	499.2	38.9

The company had net financial assets of EUR 538.1 million at March 31, 2021.

Forecast update

The expectation on the growth of wafer area sold has increased significantly since the annual report was published. Therefore, Siltronic AG's forecast was raised in an ad hoc announcement on April 20, 2021. The company now expects an increase in wafer area sold of at least 15 percent. Depending on further exchange rate developments, Siltronic forecasts sales growth of at least 10 percent year-on-year. The EBITDA margin is expected in a range of 30 to 32 percent. Net cash flow and earnings per share are forecasted to improve significantly year-on-year.

"We expect a very positive development of business performance in 2021 based on a sustainably high demand," said Dr. Christoph von Plotho. "Siltronic is well positioned with a strong balance sheet and an excellent net financial position. Our goal is to maintain our good cost and high-quality performance. Thus, Siltronic is benefiting from the long-term growth trends in the wafer sector due to multiple end-applications," von Plotho said.

	Forecast annual report 2020	Forecast April 20, 2021
Sales	mid to high single-digit percent increase	increase of at least 10 percent
EBITDA margin	slight increase	30 to 32 percent
Depreciation	around EUR 155 million to EUR 160 million	around EUR 155 million to EUR 160 million
EBIT	significant increase	significant increase
Tax rate	significantly below 10 percent	significantly below 10 percent
Capital expenditure	around EUR 250 million, mainly in epi reactors, capabilities and expansion of crystal pulling hall to replace older equipment	around EUR 250 million, mainly in epi reactors, capabilities and expansion of crystal pulling hall to replace older equipment
Net cash flow	slight improvement	significant improvement
Earnings per share	slight increase	significant increase

Siltronic AG – Key figures Q1/2021

Profit and Loss statement				
In EUR million		Q1 2021	Q4 2020	Q1 2020
Sales		316.1	284.5	300.1
EBITDA		91.7	67.2	84.2
EBITDA margin	%	29.0	23.6	28.1
EBIT		54.2	28.4	53.3
EBIT margin	%	17.2	10.0	17.8
Result for the period		58.4	40.9	46.0
Earnings per share	EUR	1.67	1.17	1.32

Capital expenditure and net cash flow

Capital expenditure in property, plant and equipment, and intangible assets		36.9	58.2	46.0
Net cash flow		27.9	-18.9	40.9

Statement of financial position

In EUR million	Mar. 31, 2021	Dec. 31, 2020
Total assets	2,008.0	1,919.4
Equity	1,078.6	871.8
Equity ratio	% 53.7	45.4
Net financial assets	538.1	499.2

Conference call for analysts and investors

The Executive Board of Siltronic AG will hold a conference call with analysts and investors (in English only) on May 7, 2021 at 10:00 am (CEST). This call will be streamed via the Internet. The audio webcast will be available live as well as on demand on Siltronic's website.

The Q1 interim statement and the latest investor presentation are also published on the Siltronic website.

Other dates:

July 28, 2021	Interim Report 2021
October 26, 2021	Q3 2021 quarterly statement



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Company profile:

Siltronic is one of the world's largest manufacturers of hyperpure silicon wafers and partner to many leading semiconductor companies. The company operates production sites in Asia, Europe and the USA. Siltronic develops and manufactures silicon wafers in diameters of up to 300 mm. Silicon wafers form the basis for modern microelectronics and nanoelectronics and are a key component in semiconductor chips driving computers, smart phones, navigation systems and many other applications. Siltronic AG employs around 3,800 people and has been a stock-listed company in Germany (Prime Standard) since 2015. The Siltronic AG stock is listed on both the MDAX and TecDAX.

Financial information – pursuant to IFRS, unaudited

Siltronic AG – Consolidated Statement of Profit or Loss

In EUR million	Q1 2021	Q4 2020	Q1 2020
Sales	316.1	284.5	300.1
Cost of sales	-227.5	-211.7	-210.8
Gross profit	88.6	72.8	89.3
Selling expenses	-8.7	-7.3	-8.2
Research and development expenses	-19.3	-18.0	-17.6
General administration expenses	-9.5	-18.3	-7.7
Other operating income	27.9	13.6	17.4
Other operating expenses	-24.8	-14.4	-19.9
Operating result	54.2	28.4	53.3
Interest income	0.8	1.0	2.5
Interest expenses	-0.6	-0.4	-0.6
Other financial result	0.5	0.8	-8.0
Financial result	0.7	1.4	-6.1
Result before income taxes	54.9	29.8	47.2
Income taxes	3.5	11.1	-1.2
Result for the period	58.4	40.9	46.0
<i>of which</i>			
<i>attributable to Siltronic AG shareholders</i>	<i>50.1</i>	<i>35.0</i>	<i>39.6</i>
<i>attributable to non-controlling interests</i>	<i>8.3</i>	<i>5.9</i>	<i>6.4</i>
Result per common share in EUR (basic/diluted)	1.67	1.17	1.32

Siltronic AG - Consolidated Statement of Financial Position

In EUR million	Mar. 31, 2021	Dec. 31, 2020
Non-current assets	1,095.7	1,095.3
Intangible assets	23.4	23.5
Property, plant and equipment	977.8	961.7
Right-of-use assets	51.7	51.2
Securities and fixed-term deposits	21.2	46.7
Other financial assets	0.1	0.1
Other non-financial assets	3.1	2.0
Deferred tax assets	18.4	10.1
Current assets	912.3	824.1
Total assets	2,008.0	1,919.4
Equity	1,078.6	871.8
Equity attributable to Siltronic AG shareholders	981.9	786.1
Equity attributable to non-controlling interests	96.7	85.7
Non-current liabilities	697.3	828.4
Current liabilities	232.1	219.2
Total equity and liabilities	2,008.0	1,919.4
Subscribed capital	120.0	120.0
Capital reserves	974.6	974.6
Retained earnings and net Group result	229.9	179.8
Other equity items	-342.6	-488.3
Pension provisions	448.5	566.5
Other provisions	59.9	62.3
Liabilities for income taxes	10.7	10.7
Deferred tax liabilities	2.3	3.1
Customer prepayments	126.5	137.4
Lease liabilities	48.9	48.4
Other financial liabilities	0.5	-
Other provisions	9.2	7.3
Liabilities for income taxes	15.5	16.8
Trade liabilities	113.1	118.8
Customer prepayments	30.5	23.6
Lease liabilities	3.9	4.0
Other financial liabilities	4.0	3.9
Other non-financial liabilities	55.9	44.8
Total liabilities	929.4	1,047.6

Siltronic AG - Consolidated Statement of Cash Flows

In EUR million	Q1 2021	Q4 2020	Q1 2020
Result for the period	58.4	40.9	46.0
Depreciation / amortization of non-current assets, including impairment losses and reversals thereof	37.5	38.8	30.9
Other non-cash expenses and income	-0.9	-7.3	6.6
Result from disposal of non-current assets	0.7	0.4	0.7
Interest income	-0.2	-0.6	-1.9
Interest paid	-0.4	-0.4	-0.4
Interest received	0.7	1.2	4.0
Tax result	-3.5	-11.1	1.2
Taxes paid	-3.3	-4.0	1.4
Changes in inventories	-12.1	-10.3	-4.0
Changes in trade receivables	-11.3	-6.3	9.4
Changes in contract assets	2.0	2.8	0.3
Changes in other assets	-1.8	-3.1	-11.1
Changes in provisions	3.5	-35.5	8.0
Changes in trade liabilities	-5.7	23.7	6.1
Changes in other liabilities	11.3	-1.3	10.0
Changes in customer prepayments	1.7	3.5	-21.6
Cash flow from operating activities	76.6	31.4	85.6
Payments for capital expenditure (including intangible assets)	-47.1	-46.9	-66.3
Proceeds from the disposal of property, plant and equipment	0.1	0.1	-
Payments for securities and fixed-term deposits	-123.2	-36.8	-51.7
Proceeds from securities and fixed-term deposits	31.3	55.8	205.2
Cash flow from financing activities	-138.9	-27.8	87.2
Repayment portion of lease liability	-1.5	-1.4	-1.1
Cash flow from financing activities	-1.5	-1.4	-1.1
Changes due to exchange-rate fluctuations	4.0	-2.6	-5.8
Changes in cash and cash equivalents	-59.8	-0.4	165.9
at the beginning of the period	294.6	295.0	200.7
at the end of the period	234.8	294.6	366.6

Additional financial information

In EUR million	Q1 2021	Q4 2020	Q1 2020
Cash flow from operating activities	76.6	31.4	85.6
Cash-effective changes in customer prepayments	-1.7	-3.5	21.6
Cash flow from investing activities	-47.0	-46.8	-66.3
Net cash flow	27.9	-18.9	40.9

Disclaimer

This press release contains forward-looking statements based on assumptions and estimates made by the Executive Board of Siltronic AG. These statements can be identified by wording such as "expect", "want", "anticipate", "intend", "plan", "believe", "strive", "estimate", and "will" or similar terms. Although we assume that the expectations contained in these forward-looking statements are realistic, we cannot guarantee that they will prove to be correct. These assumptions may contain risks and uncertainties that could cause the actual figures to differ considerably from the forward-looking statements. Factors that can cause such discrepancies include changes in the macroeconomic and business environment, changes in exchange rates and interest rates, the introduction of products that compete with our own products, a lack of acceptance of new products or services, and changes in corporate strategy. Siltronic does not intend to update these forward-looking statements, nor does it assume any responsibility to do so.

This press release includes supplementary financial indicators that either are or may be so-called alternative performance indicators that are not clearly defined in the relevant financial reporting framework. In assessing the financial position and performance of Siltronic, these supplementary financial indicators should not be used in isolation or as an alternative to those presented in the consolidated financial statements and determined in accordance with the relevant financial reporting framework. Other companies that present or report alternative performance indicators with similar names may calculate them differently. Explanations of the key financial figures used are available in the Annual Report of Siltronic AG. Due to rounding, some of the figures presented in this press release as well as in other reports may not add up exactly to the stated totals and percentages presented may not accurately reflect the absolute values to which they relate.

This press release is a quarterly Group statement in accordance with Section 53 of the Exchange Rules for the Frankfurt Stock Exchange.